

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6315

January 11, 2019

The Honorable Linda McMahon
Administrator
United States Small Business Administration
409 3rd Street, SW
Washington, DC 20416

Dear Administrator McMahon:

I am writing in my capacity as Chairwoman of the House Committee on Small Business to inquire regarding the impact the current government shutdown of 2018-19 is having on the Small Business Administration's (SBA) various programs and the greater small business community. These programs play a critical role in boosting the entrepreneurial and small business sectors of our economy by helping provide access to affordable capital, technical assistance, and procurement opportunities for America's entrepreneurs. It is vital that Congress, as well as the general public, be fully apprised of exactly how the shutdown is affecting the small business sector. Therefore, I respectfully request a detailed explanation of how each SBA program is impacted by the shutdown, the effect on small businesses, and how SBA plans to restore each of those programs to fully operational status.

Regrettably, after almost 20 days, the small business sector has already been extremely affected, and each day the shutdown continues this impact grows. Given this, I respectfully request written responses to the following questions by January 25, 2019:

1. Are all SBA field offices closed during the shutdown and how many district outreach and engagement events have been cancelled or postponed due to the shutdown?
2. Did SBA provide any guidance to borrowers and lenders regarding how a protracted shutdown would impact their loans, or their ability to continue making loans? If so, please provide.
3. What is the process for submitting loans for approval to SBA during the shutdown?
4. Are lenders participating under SBA's delegated loan approval processes able to approve loans during the shutdown?

5. What is the process for managing loans with an SBA guarantee that enter default during the shutdown?
6. What is the status of SBA's secondary market program during the shutdown?
7. How does SBA plan to address the loan backlog that will exist once the shutdown ends?
8. Are Small Business Investment Companies (SBIC) able to draw leverage during the shutdown?
9. How many SBIC license applications are pending during the shutdown?
10. What impact is the shutdown having on small businesses with existing and pending federal contracts, including those participating in the 8(a), HUBZone, Women's Procurement, and Service-Disabled, Veteran-Owned Small Business programs?
11. With only one exempted employee within the Office of Government Contracting and Business Development, are contract certifications being processed? If not, how quickly can they be made upon reopening the government and how long is the expected backlog of certifications?
12. Has SBA provided shutdown guidance to agencies that participate in the 8(a), HUBZone, Women's Procurement, and Service-Disabled, Veteran-Owned Small Business programs?
13. How has the shutdown affected SBA's own contracts with vendors, and how many stop-work orders has SBA issued to vendors?
14. Does SBA have a plan to expedite disputes awaiting review before the Office of Hearings and Appeals, which has ceased operations?
15. What impact is the shutdown having on SBA's entrepreneurial development programs?
16. Is SBA aware of any resource partner, including Small Business Development Centers, Women's Business Centers, Export Assistance Centers, Veteran's Business Outreach Centers, or SCORE chapters, that have been closed due to the shutdown?
17. Has the shutdown stalled or otherwise interfered with any ongoing investigations being conducted by the Office of Inspector General (OIG)? If yes, what is SBA's plan to restore full operating status for OIG in a way that preserves the integrity of paused investigations?

18. Does SBA have detailed plans for reopening the agency and its programs?

As the Committee begins its work in the 116th Congress, the answers to these questions will better enable the Committee to craft legislation designed to remedy the hardships endured by the small business community during the shutdown. Therefore, I kindly request written responses to these inquiries by January 25, 2019. Thank you in advance for your prompt attention to this important matter, and I look forward to continuing to work with you to advance the interests of America's small business community.

Sincerely,



Nydia M. Velazquez
Chairwoman
House Committee on Small Business